

MIDVALE CITY

RESOLUTION NO. 2020-R-24

A RESOLUTION APPROVING THE TERMS OF AN INTERLOCAL AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND MIDVALE CITY FOR USE OF AND REPAYMENT OF \$5,500,000 LOAN FROM THE STATE INFRASTRUCTURE BANK

WHEREAS the Redevelopment Agency of Midvale City (the “**Agency**”), and Midvale City (the “**City**”) are “public agencies” for purposes of the Act (collectively referred to as the “Parties”); and

WHEREAS, the Parties are public agencies and therefore are authorized under the Utah Interlocal Cooperation Act, Section 11-13-101, et seq., U.C.A. 1953, as amended, to enter into agreements with each other which enable them to make the most efficient use of their powers; and

WHEREAS, the City desires to contract with the Agency for the use of and repayment of \$5,500,000 loan from the State Infrastructure Bank; and

WHEREAS, the Agency is willing to enter into such an agreement, and to repay the loan as outlined in the terms; and

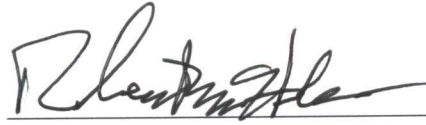
WHEREAS, SIB Loan Funds have been budgeted by the state to be allocated to Midvale City for uses related to transportation and parking. The City anticipates finalizing the loan amounts and terms and securing those monies this month (May 2020); and

WHEREAS, the Zions Bank technology headquarters is anticipated to create 1,500 jobs within the Jordan Bluffs project area. The planned office building will be roughly 400,000 square feet. The Agency is in the process of finalizing its support for the office building. To simplify managing the project, the Agency will also lead the initiative to support a parking structure adjacent to the new office building. Supporting the parking structure is an appropriate and approved use of the SIB loan monies. The parking structure will be constructed as part of the overall Zions project and will be privately owned by Zions Bancorporation.

WHEREAS, if the terms of this agreement are modified or changed, staff will return to the City Council for approval of the modifications or changed terms.

NOW, THEREFORE, be it resolved by the Midvale City Council accepts the attached terms and authorizes the Mayor to execute Interlocal Cooperation Agreement that memorializing said terms between the City and the Agency be accepted and approved.

PASSED AND ADOPTED BY THE CITY COUNCIL OF MIDVALE CITY, STATE OF UTAH, this ____ day of May, 2020.

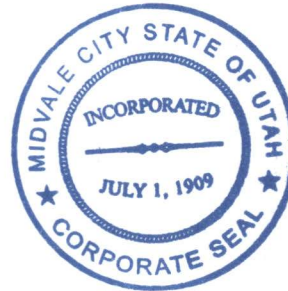


Robert M. Hale
Mayor

ATTEST:



Rori L. Andreason, MMC
City Recorder



Voting by the Council:

Bryant Brown

Paul Glover

Quinn Sperry

Heidi Robinson

Dustin Gettel

"Aye"

☒
☒
☒
☒
☒

"Nay"

☐
☐
☐
☐
☐

Midvale City Redevelopment Agency

Term Sheet for Loan Agreement

(Jordan Bluffs Project Area)

Borrower:	Redevelopment Agency of Midvale City (Borrower)
Lender:	Midvale City (Lender)
Loan Amount:	\$5,500,000
Interest Rate:	2.65% Per Annum (fixed rate)
Term:	15 Years (10 years initially—see Item 4 below)
Annual Payments:	<ol style="list-style-type: none"> 1. Borrower shall make annual payments to the City equal to the amount required to satisfy the annual interest and principal payments for the Loan Amount. The schedule for repaying the entire Loan Amount is illustrated in Exhibit A. The total annual payment (including interest and principal) amounts to \$468,565, under a 15 year term. If the term is a 10 year term, the annual payments will be increased, as discussed in Item 4 below. 2. To make the payments, the Borrower shall utilize property tax increment revenues generated from the Zions Bank Technology Headquarters Building site, which includes the at least 390,000 square foot office building, associated improvements, and the parking structure. The Agency will draw, specifically, from revenues defined as “Owner’s Share” in the First Amended Tax Increment Reimbursement (“Amended TIRA”) agreement with Zions Bancorporation, N.A. (“Zions”). 3. The Agency’s reimbursement payments to Zions will be subordinate to the debt service payments. 4. The Funds must be drawn within 180 days of the City entering into the loan agreement with the Utah Department of Transportation (“UDOT”). Zions must consent to the form of the loan agreement with UDOT and the form of loan agreement between Borrower and Lender. Under UDOT’s administrative rules, UDOT is only able to enter into a 10 year term loan with Lender. State law was amended in the 2020 legislative general session and once UDOT rules are amended, likely in September 2020, UDOT will be able to enter into loan agreements with a 15 year loan term. Lender, Borrower and Zions shall all cooperate and support the effort to have UDOT amend its rules to allow a 15 year loan term for this project.

	<ol style="list-style-type: none">5. The first debt service payment must be made two years from when the debt service revenues were drawn by the Lender to the State Infrastructure Bank (SIB). Interest on the first two years of debt will be capitalized over the life of the bonds.
Miscellaneous:	<ol style="list-style-type: none">1. Borrow shall mitigate its own risk of default and the lender's risk of default through changes to the TIRA, which has still not been executed and will become the Amended TIRA.2. The execution of loan documents will be conditioned on Zions' consent to the form of loan documents and execution of the Amended TIRA. Loan documents shall also be in a form acceptable to Lender and its legal counsel.3. Such other terms as recommended by the Lender's legal counsel and as consented to by Zions.

Exhibit A: Proposed Debt Service Schedule (15 year term)

Date	Principal	Coupon	Interest	Total P&I	Bond Balance
	5,500,000		1,528,476	7,028,476	\$ 5,500,000
2021					\$ 5,500,000
2022					\$ 5,500,000
2023	303,382	2.65%	\$ 165,183	\$ 468,565	\$ 5,196,618
2024	311,421	2.65%	\$ 157,144	\$ 468,565	\$ 4,885,197
2025	319,674	2.65%	\$ 148,891	\$ 468,565	\$ 4,565,523
2026	328,145	2.65%	\$ 140,420	\$ 468,565	\$ 4,237,377
2027	336,841	2.65%	\$ 131,724	\$ 468,565	\$ 3,900,536
2028	345,768	2.65%	\$ 122,798	\$ 468,565	\$ 3,554,769
2029	354,930	2.65%	\$ 113,635	\$ 468,565	\$ 3,199,838
2030	364,336	2.65%	\$ 104,229	\$ 468,565	\$ 2,835,502
2031	373,991	2.65%	\$ 94,574	\$ 468,565	\$ 2,461,511
2032	383,902	2.65%	\$ 84,663	\$ 468,565	\$ 2,077,610
2033	394,075	2.65%	\$ 74,490	\$ 468,565	\$ 1,683,535
2034	404,518	2.65%	\$ 64,047	\$ 468,565	\$ 1,279,016
2035	415,238	2.65%	\$ 53,327	\$ 468,565	\$ 863,779
2036	426,242	2.65%	\$ 42,323	\$ 468,565	\$ 437,537
2037	437,537	2.65%	\$ 31,028	\$ 468,565	\$ (0)